



[4310-T2]

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0020]

Agency Information Collection Activities: Submitted for Office of Management and Budget Review; Comment Request

AGENCY: Office of the Secretary, Office of Natural Resources Revenue (ONRR)

ACTION: Notice of an extension of a currently approved information collection.

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), the Office of Natural Resources Revenue (ONRR) is notifying the public that we have submitted to the Office of Management and Budget (OMB) an information collection request (ICR) to renew approval of the paperwork requirements in the regulations under title 30, *Code of Federal Regulations* (CFR), parts 1210 and 1212. There are three forms associated with this information collection. This notice also provides the public with a second opportunity to comment on the paperwork burden of these regulatory requirements.

DATES: OMB has up to 60 days to approve or disapprove the information collection request, but may respond after 30 days; therefore, public comments should be submitted to OMB by [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER], in order to be assured of consideration.

ADDRESSES: Submit comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Department of Interior (1012-0004), by telefax at (202) 395-5806 or via e-mail to

OIRA_Docket@omb.eop.gov. Also, please send a copy of your comments to Stephen Chubb, Regulatory Specialist, Office of Natural Resources Revenue, P.O. Box 25165, MS 64000A, Denver, Colorado 80225. Please reference ICR 1012-0004 in your comments.

FOR FURTHER INFORMATION CONTACT: Stephen Chubb, Regulatory Specialist, email *Stephen.Chubb@onrr.gov*. You may also contact Mr. Chubb to obtain copies, at no cost, of (1) the ICR, (2) any associated forms, and (3) the regulations that require us to collect the information. To see a copy of the entire ICR submitted to OMB, go to: <http://www.reginfo.gov> and select Information Collection Review, Currently Under Review.

SUPPLEMENTARY INFORMATION:

Title: 30 CFR Parts 1210 and 1212, Royalty and Production Reporting.

OMB Control Number: 1012-0004.

Bureau Form Number: Forms MMS-2014, MMS-4054, and MMS-4058.

Note: ONRR will publish a rule updating our form numbers to Forms ONRR-2014, ONRR-4054, and ONRR-4058.

Abstract: The Secretary of the United States Department of the Interior is responsible for mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). The Secretary's responsibility, according to various laws, is to manage mineral resource production from Federal and Indian lands and the OCS, collect the royalties and other mineral revenues due, and distribute the funds collected in accordance with applicable laws. The Secretary also has a trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. ONRR performs the

minerals revenue management functions for the Secretary and assists the Secretary in carrying out the Department's trust responsibility for Indian lands. Public laws pertaining to mineral leases on Federal Indian lands are available on our website at www.onrr.gov/Laws_R_D/PublicLawsAMR.htm.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share in an amount or value of production from the leased lands. The lessee, or the designee, must report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. The information that ONRR collects includes data necessary to ensure that the lessee accurately values and appropriately pays all royalties and other mineral revenues due.

Reporters submit information into the ONRR financial accounting system that includes royalty, rental, bonus, and other payment information; sales volumes and values; and other royalty values. ONRR uses the accounting system to compare production volumes with royalty volumes to verify that companies reported and paid proper royalties for the minerals produced. Additionally, we share the data electronically with the Bureau of Safety and Environmental Enforcement, Bureau of Land Management, Bureau of Indian Affairs, and Tribal and State governments so they can perform their lease management responsibilities.

We use the information collected in this ICR to ensure that companies properly pay royalties based on accurate production accounting on oil, gas, and geothermal resources

that they produce from Federal and Indian leases. The requirement to report accurately and timely is mandatory. Please refer to the chart for all reporting requirements and associated burden hours.

Royalty Reporting

Payors (Reporters) must report, according to various regulations, and remit royalties on oil, gas, and geothermal resources that they produced from leases on Federal and Indian lands. ONRR uses the following form for royalty reporting:

Form MMS-2014, Report of Sales and Royalty Remittance. Reporters submit this form monthly to report royalties on oil, gas, and geothermal leases, certain rents, and other lease-related transactions such as transportation and processing allowances, lease adjustments, and quality and location differentials.

Production Reporting

Operators (Reporters) must submit, according to various regulations, production reports if they operate a Federal or Indian onshore or offshore oil and gas lease or federally approved unit or communitization agreement. We use the ONRR financial accounting system to track minerals produced from Federal and Indian lands, from the point of production to the point of disposition or royalty determination and/or point of sale. The reporters use the following forms for production accounting and reporting:

Form MMS-4054, Oil and Gas Operations Report (OGOR). Reporters submit this form monthly for all production reporting for Outer Continental Shelf, Federal, and Indian leases. ONRR compares the production information with sales and royalty data that reporters submit on Form MMS-2014 to ensure that the latter reported and paid the proper royalties on the oil and gas production to ONRR. ONRR uses the information

from OGOR parts A, B, and C to track all oil and gas from the point of production to the point of first sale, or other disposition.

Form MMS-4058, Production Allocation Schedule Report (PASR). Reporters submit this form monthly. The facility operators manage the facilities and measurement points where they commingle the production from an offshore Federal lease or metering point with production from other sources before they measure it for royalty determination. ONRR uses the data to determine if the payors reported reasonable sales.

We will request OMB approval to continue to collect this information. If ONRR does not collect this information, it would limit the Secretary's ability to discharge fiduciary duties and may also result in the loss of royalty payments. We protect the proprietary information that it receives and do not collect items of a sensitive nature. It is mandatory that the reporters submit Forms MMS-2014, MMS-4054, and MMS-4058 .

Frequency: Monthly.

Estimated Number and Description of Respondents: 3,870 oil, gas, and geothermal reporters.

Estimated Annual Reporting and Recordkeeping "Hour" Burden: 337,933 hours.

We have not included in our estimates certain requirements that companies perform in the normal course of business, and that ONRR considers usual and customary. We display the estimated annual burden hours by CFR section and paragraph in the following chart.

Respondents' Estimated Annual Burden Hours

30 CFR Part 1210	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses (lines of data)	Annual Burden Hours
30 CFR 1210—FORMS AND REPORTS				
Subpart B—Royalty Reports—Oil, Gas, and Geothermal Resources				
1210.52 (a) and (b)	1210.52 What royalty reports must I submit? You must submit a completed Form MMS–2014, Report of Sales and Royalty Remittance, to ONRR with: (a) All royalty payments; and (b) Rents on nonproducing leases, where specified in the lease.	Form MMS-2014		
		Electronic* (approximately 99 percent)		
		3 min. per line	4,688,216	234,411
1210.53 (a), (b), and (c)	1210.53 When are my royalty reports and payments due? (a) Completed Forms MMS–2014 for royalty payments and the associated payments are due by the end of the month following the production month (see also §1218.50). (b) Completed Forms MMS–2014 for rental payments, where applicable, and the associated payments are due as specified by the lease terms (see also §1218.50). (c) You may submit reports and payments early.	Manual* (approximately 1 percent)		
		7 min. per line	47,356	5,526
1210.54 (a), (b), and (c)	1210.54 Must I submit this royalty report electronically? (a) You must submit Form MMS–2014 electronically unless you qualify for an exception under §1210.55(a). (b) You must use one of the following electronic media types, unless ONRR instructs you differently * * * (c) Refer to our electronic reporting guidelines in the ONRR <i>Minerals Revenue Reporter Handbook</i> , for the most current reporting options, instructions, and security measures. The handbook may be found on our Internet Web site or you may call your ONRR customer service representative * * * * * *			
SUBTOTAL FOR ROYALTY REPORTING			4,735,572	239,937
Subpart C—Production Reports—Oil and Gas				

30 CFR Part 1210	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses (lines of data)	Annual Burden Hours
1210.104 (a), (b), and (c)	1210.104 Must I submit these production reports electronically? (a) You must submit Forms MMS-4054 and MMS-4058 electronically unless you qualify for an exception under §1210.105. (b) You must use one of the following electronic media types, unless ONRR instructs you differently * * * (c) Refer to our electronic reporting guidelines in the ONRR <i>Minerals Production Reporter Handbook</i> , for the most current reporting options, instructions, and security measures. The handbook may be found on our Internet Web site or you may call your ONRR customer service representative * * * * * * * *	Form MMS-4054 (OGOR)		
		Electronic* (approximately 99 percent)		
		1 min. per line	5,688,962	94,816
		Manual* (approximately 1 percent)		
		3 min. per line	57,464	2,873
		TOTAL OGOR	5,746,426	97,689
		Form MMS-4058 (PASR)		
		Electronic* (approximately 99 percent)		
		1 min. per line	17,820	298
		Manual* (approximately 1 percent)		
		3 min. per line	180	9
		TOTAL PASR	18,000	307
Subpart D—Special-Purpose Forms and Reports— Oil, Gas, and Geothermal Resources				
1210.155	1210.155 What reports must I submit for Federal onshore stripper oil properties? (a) <i>General.</i> Operators who have been granted a reduced royalty rate by the Bureau of Land Management (BLM) under 43 CFR 3103.4-2 must submit Form MMS-4377, Stripper Royalty Rate Reduction Notification, under 43 CFR 3103.4-2(b)(3). * * * * *	Burden covered under OMB Control Number 1012-0005.		
SUBTOTAL FOR PRODUCTION REPORTING			5,764,426	97,996
PART 1212—RECORDS AND FILES MAINTENANCE				
Subpart B—Oil, Gas and OCS Sulphur—General				

30 CFR Part 1210	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses (lines of data)	Annual Burden Hours
1212.50	<p>1212.50 Required recordkeeping and reports.</p> <p>All records pertaining to offshore and onshore Federal and Indian oil and gas leases shall be maintained by a lessee, operator, revenue payor, or other person for 6 years after the records are generated unless the recordholder is notified, in writing, that records must be maintained for a longer period * * *.</p> <p>[In accordance with 30 U.S.C. 1724(f), Federal oil and gas records must be maintained for 7 years from the date the obligation became due.]</p>	Burden hours covered under 1210.54(a), (b), and (c); and 1210.104(a) and (b).		
1212.51 (a) and (b)	<p>(a) <i>Records</i>. Each lessee, operator, revenue payor, or other person shall make and retain accurate and complete records necessary to demonstrate that payments of rentals, royalties, net profit shares, and other payments related to offshore and onshore Federal and Indian oil and gas leases are in compliance with lease terms, regulations, and orders * * *.</p> <p>(b) <i>Period for keeping records</i>. Lessees, operators, revenue payors, or other persons required to keep records under this section shall maintain and preserve them for 6 years from the day on which the relevant transaction recorded occurred unless the Secretary notifies the record holder of an audit or investigation involving the records and that they must be maintained for a longer period * * *.</p> <p>[In accordance with 30 U.S.C. 1724(f), Federal oil and gas records must be maintained for 7 years from the date the obligation became due.]</p>	Burden hours covered under 1210.54(a), (b), and (c); and 1210.104(a) and (b).		
TOTAL FOR ROYALTY AND PRODUCTION REPORTING			10,499,998	337,933

* **Note:** ONRR considers each line of data as one response/report.

Estimated Annual Reporting and Recordkeeping “Non-hour” Cost Burden: We have identified no “non-hour” cost burden associated with the collection of information.

Public Disclosure Statement: The PRA (44 U.S.C. 3501 *et seq.*) provides that an agency may not conduct or sponsor, and a person does not have to respond to, a collection of information unless it displays a currently valid OMB control number.

Comments: Section 3506(c)(2)(A) of the PRA requires each agency to “* * * provide 60-day notice in the *Federal Register* * * * and otherwise consult with members of the public and affected agencies concerning each proposed collection of information * * *.” Agencies must specifically solicit comments to (a) evaluate whether the proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (b) evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information that ONRR collects; and (d) minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

To comply with the public consultation process, we published a notice in the *Federal Register* on April 2, 2012 (77 FR 19704), announcing that we would submit this ICR to OMB for approval. The notice provided the required 60-day comment period. We received no unsolicited comments in response to the notice.

If you wish to comment in response to this notice, you may send your comments to the offices listed under the ADDRESSES section of this notice. OMB has up to 60 days to approve or disapprove the information collection, but they may respond after 30 days. Therefore, in order to ensure maximum consideration, OMB should receive public

comments by **[INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION
IN THE *FEDERAL REGISTER*]**.

Public Comment Policy: We will post all comments, including names and addresses of respondents, at *www.regulations.gov*. Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us, in your comment, to withhold your personal identifying information from public view, we cannot guarantee that we will be able to do so.

Information Collection Clearance Officer: Dave Alspach (202) 219-8526.

October 2, 2012____
Date

Gregory J. Gould
Director,
Office of Natural Resources Revenue

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